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Prime Minister's schedule, Nov. 7

NIKKEI (Page 2) (Full)
November 8, 2007

08:54

Met with Vice Defense Minister Masuda at Kantei.

11:28

Met with Chief Cabinet Secretary Machimura.

11:58

Had a luncheon with first-time House of Representatives members of the LDP.

13:00

Attended a session of the Lower House Committee on Prevention of Terrorism.

16:20

Met with Naigai News Co. Chairman Kiyomiya. Afterwards, met with Minister of Internal Affairs and Communications Masuda and then met with Headquarters for Regional Revitalization Director Yamamoto.

17:00

Attended a session of the IT Strategy Headquarters.

17:59

Met with former Deputy Chief Cabinet Secretary Nobuo Ishihara. Afterwards, met with Vice Foreign Minister Yachi.

19:28

Met with National Defense Academy President Makoto Iokibe and others at Imperial Hotel.

22:19

Arrived at his private residence in Nozawa.

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4) Extra Diet session likely be extended for about 40 days to secure time for deliberations at Upper House on new antiterrorism legislation

YOMIURI (Page 2) (Full)

November 8, 2007

Democratic Party of Japan (DPJ or Minshuto) President Ichiro Ozawa revealed yesterday at a press conference his party's policy of opposing the new antiterrorism special measures bill. The government and ruling parties in turn started coordination to extend the current Diet session for about 40 days until late December, revising the plan for a one-month extension. The government and ruling camp reached the judgment that it would now be necessary to take all possible measures, including securing sufficient time for deliberations at the House of Councillors, to pass the new antiterrorism bill during the current Diet session. The government and ruling camp intend, however, to continue to try to find a way to approach the DPJ. In a bid to avoid a full-blown clash with the opposition, they plan to put off until next week the passage of the bill through the House of Representatives.

Following the DPJ's release of an outline of its set of counterproposals to the government's new antiterrorism legislation, Liberal Democratic Party (LDP) Secretary General Bunmei Ibuki directed Diet Affairs Committee Chairman Tadamori Oshima to ask the DPJ to work out a compromise bill. In a meeting later in the day of the Lower House Special Committee on Prevention of Antiterrorism the LDP called on the DPJ to start deliberation on revising the legislation, but the main opposition party rejected the request.

With Ozawa having made it clear the party still opposes the new antiterrorism bill, it has now become difficult to find a way to resume consultations with the DPJ. The need therefore has grown stronger for the ruling coalition to resort to re-adopting the bill in the Lower House with the approval of a two-thirds majority, after it is voted down in the Upper House.

There still remains concern that if the DPJ submits a censure motion against Prime Minister Yasuo Fukuda to prevent the re-adooption of the legislation, it might lead to Lower House dissolution. Most members in the ruling coalition, though, are optimistic, with one lawmaker saying, "The DPJ is no longer able to submit a censure motion due to the turmoil caused by Ozawa."

There is a strong view in the ruling camp that the passage of the new antiterrorism bill through the Lower House should now be delayed to next week so as not to annoy the DPJ. The ruling coalition is considering taking a vote on the bill at the special committee on Nov. 12 and having it pass the Lower House on the 13th. Given these circumstances, the special committee decided easily in its directors meeting yesterday afternoon to hold today a question-and-answer

session for two hours.

5) New refueling legislation likely to clear Lower House next week or later: DPJ determined not to respond to revision talks

NIKKEI (Page 2) (Slightly abridged)
November 8, 2007

The battle between the ruling and opposition parties over resumption

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of refueling operations in the Indian Ocean by the Maritime Self-Defense Force (MSDF) has come to a standstill again, with the Democratic Party of Japan (DPJ or Minshuto) toughening its confrontational stance toward the ruling camp with the return of President Ichiro Ozawa to the fold. The ruling camp wanted to take a vote on the bill at the Lower House Terrorism Prevention and Iraq Assistance Special Committee, but the DPJ is determined not to respond to a call for revision talks. The roll call will most likely be delayed until at least next week.

If the ruling parties railroad the bill, deliberations in the Upper House, where the opposition camp has dominance, would be rocky. As such, an increasing number of ruling party members are becoming cautious about taking a committee vote this week.

Both camps agreed at a meeting of the Lower House Special Committee on the evening of the 7th to hold a questioning session for two hours on the morning of the 8th. However, whether to take a vote or not has been left to Chairman Takashi Fukaya to decide. After the meeting, Fukaya told reporters, "It will be difficult to take a vote on the 8th as planned."

The government and the ruling camp are aware that the US strongly hopes Japan will resume its fueling operations. They plan to hold deliberations in the Upper House up to the evening of the 15th, when the prime minister is scheduled to travel to the US. The prime minister is also slated to take part in an East Asia summit to be held in Singapore. Unless the questioning session in the Upper House with the presence of the prime minister is completed before his overseas travel, the period of time until he returns home on the 22nd would be wasted.

It is unclear how fiercely the opposition camp would react if the ruling camp forced a vote on the bill. The prime minister and Ozawa discussed the enactment of a permanent law for the overseas dispatches of Self-Defense Forces (SDF) and new refueling legislation as a package. The ruling parties hope that if they manage to bring about policy talks with the DPJ, they might be able to find a lead-in toward a breakthrough.

6) SDF dispatch law next year: Fukuda

YOMIURI (Page 4) (Abridged)
November 8, 2007

Prime Minister Fukuda yesterday attended a meeting of the House of Representatives Special Committee on Antiterror Measures for intensive discussions. In the meeting, Fukuda was asked about the advisability of establishing a general or permanent law for Japan to send the Self-Defense Forces on overseas missions. "It's easy to talk about a general law," Fukuda stated before the committee. "But," he went on, "it's quite difficult to decide." The premier added, "At any rate, it will be next year or later." With this, Fukuda indicated that he would do his best instead to get a government-introduced new antiterror bill through the Diet for the time being (in order for Japan to resume the Maritime Self-Defense Force's refueling activities in the Indian Ocean).

7) Ozawa officially announces his decision to stay on; "I will stake my political life on the next general election," says Ozawa, dismissing a coalition and indicating return to confrontational policy course

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ASAHI (Top play) (Abridged slightly)
November 8, 2007

Democratic Party of Japan (DPJ or Minshuto) President Ichiro Ozawa at a joint meeting yesterday of DPJ members in both chambers officially retracted his resignation as party head, saying: "I have decided to stake my political life on the (next) general election. By serving as party president once more, I would like to face the final battle." In a press conference that followed, Ozawa indicated a return to the confrontational policy course, dismissing holding talks on a coalition before the (next) general election. Following this, the government and the ruling parties started final coordination for extending the current Diet session by about 35 days until mid-December. The view is gaining ground that a new refueling bill to resume the Self-Defense Forces' operation should be readopted in the House of Representatives to enact it.

At the DPJ plenary meeting, Ozawa said: "I apologize for causing tremendous trouble for the public and DPJ supporters over the party-head talks." Based on his talks with Prime Minister Fukuda, Ozawa explained why he had proposed a grand coalition to the party leadership this way: "I thought that we would be able to realize major policies by joining the administration and that chances would grow for us to win (the next) general election by showing our ability to hold the reins of government to the public."

Ozawa then announced that he would stake his political life on the next general election, pledging to win it as party president. He also revealed a plan to launch a Lower House election campaign headquarters on Nov. 7 to make full-fledged efforts to build a solid campaign system.

In the press conference that followed, he stressed that he had no intention of bringing up the coalition concept before the next general election, noting: "I will work hard for the (next) general election without thinking of a coalition. Given a party consensus, I will give my all and fight to the best of my ability in winning the general election." He denied any possibility of holding talks with Prime Minister Fukuda, saying, "Basically I don't think there will be any such meeting in the future." He also reiterated his opposition to the (new) refueling assistance special measures legislation, noting, "Because basic views are different, meeting (the other side) halfway will not be accepted."

Meanwhile, in the wake of the DPJ's production of its counterproposal, the ruling camp in yesterday's meeting of the Lower House Special Committee on Prevention of Terrorism called on the DPJ for revision talks on the special measures legislation. The DPJ refused the request. As a result, the government and ruling parties decided to expedite Diet deliberations for enacting the special measures legislation during the current session.

Although the government and ruling bloc put off their plan to take a vote at the Lower House committee yesterday, they intend to extend the Diet session beyond Nov. 10 to get the legislation passed through the Lower House early next week. They are conducting coordination to extend the session by about 35 days until mid-December to secure enough time for deliberations in the Upper House by envisaging readopting the legislation in the Lower House by a two-thirds majority following rejection in the Upper House.

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Many in the government and ruling parties take the view that even if the legislation is readopted in the Lower House, (the DPJ) does not have the power to submit a censure motion against the prime minister in the Upper House due to the Ozawa resignation fiasco. In the event a censure motion is submitted, the government and the ruling camp would make a final decision on readopting the legislation by watching the DPJ's response while dangling the prospect of a Lower House dissolution.

8) DPJ chief Ozawa reveals how an idea of forming a grand coalition came about: "The idea was suggested by someone two months ago behind

the scenes"

MAINICHI (Page 2) (Full)
November 8, 2007

Kazuto Takeshima

At a press briefing yesterday, Democratic Party of Japan's (DPJ) President Ichiro Ozawa explained about his recent meeting with Prime Minister Yasuo Fukuda (president of the ruling Liberal Democratic Party (LDP)). He also revealed in part how the idea of forming a grand coalition with the LDP came about, telling reporters that there had been a mediator, whose name Ozawa did not say, and that this person had suggested to him two months or so ago that he form a grand coalition with the LDP. On the question of who first brought up the idea of a grand coalition at the party-heads meeting, what the government and ruling bloc have so far explained does not agree with the DPJ, but Ozawa admitted that the grand coalition idea did not come up suddenly at the meeting.

Ozawa did not make clear who had been the "mediator," but a source connected with the LDP yesterday pointed out: "The first mediator would have been Tsuneo Watanabe, chairman and editor-in-chief of the Yomiuri Shimbun."

Ozawa again objected to the claim by a source connected with the government and the ruling parties that "It was Mr. Ozawa who took the lead in discussing the grand coalition idea." Ozawa said, "So far I've never revealed the contents of secret talks between politicians. But under the circumstances, I will make it clear," giving an explanation about (how the grand coalition idea came about).

According to Ozawa, he was invited by "someone," whose name he did not reveal, to dine together. At the time, that "someone" suggested forming a grand coalition for the sake of the country. Ozawa told that "someone" that the mood in the DPJ is to stay closely united in order to win the next Lower House election, following this summer's Upper House election. He told the other person that "whether to (form a grand coalition) is a matter the person in power (namely, the prime minister) should bring up." Their meeting occurred around the time when former Prime Minister Shinzo Abe announced his intention to resign as prime minister.

In mid-October, that "someone" again contacted Ozawa and asked him to meet a "proxy" for the prime minister, telling Ozawa that "The prime minister, as well, is willing to form a grand coalition." Ozawa met with the delegate at a certain place and that person told Ozawa: "The prime minister is eager about forming a grand coalition." Ozawa asked the person, "Are you serious about this idea?" The person responded: "I, too, am serious." This meeting

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seemed to occur around when the Fukuda cabinet came into being. The agent for the prime minister would have been a person who acted in compliance with the prime minister. Ozawa did not reveal the name of this person, either. Politicians who have favored the grand coalition idea include former Prime Minister Yoshiro Mori, former LDP Upper House Caucus Chairman Mikio Aoki, and former LDP Secretary General Hidenao Nakagawa.

When asked about who suggested forming a grand coalition, Prime Minister Fukuda said: "If both sides do not favor the idea of forming a grand coalition, doing so is impossible. Both shared similar feelings." Ozawa again denied the claim at the press briefing that he brought up the idea of forming a grand coalition, but he remained mum at the press briefing yesterday, as well, on such questions as whether during the meeting, he had discussed cabinet posts, leaving details about the grand coalition scheme unclear.

9) Some DPJ members remain unhappy; Ozawa cannot afford to make mistakes in managing political situation, party affairs

SANKEI (Page 3) (Full)
November 8, 2007

The Democratic Party of Japan (DPJ or Minshuto) during an informal meeting of both Lower and Upper House members accepted President Ozawa's apology for the furor over the announcement of his decision to step down has caused and his decision to stay on as president. The reality is, however, that many members backed down out of necessity in view of Ozawa's election skills and concern that he might leave the party, because the Lower House election is close at hand, a mid-ranking member explained. Dissatisfaction among party members has just quieted down on the surface. There is fear that if Ozawa makes a blunder in the management of party affairs or in his judgment of the political situation, criticism against him would erupt, causing a serious fissure in the party.

The session held yesterday was expected to end without turmoil even before it started. After Ozawa offered an apology, Supreme Advisor Kozo Watanabe, who is known for his speaking skills, evoked laughter, saying, "If you had listened to advice as seriously during the Hosokawa cabinet, a two-party system would have been realized a long time ago." When he said, "Let's turn the potential setback to our advantage," many lawmakers applauded and smiled.

However, Deputy Secretary General Yoshito Sengoku, who keeps himself at arm's distance from Ozawa, said, "There is a considerable gap between the internal air of excitement (expectations of Ozawa) and the feeling of the public," creating a feeling of tension at the meeting.

Sengoku continued, "There have been cases in which policy discussions were disrupted, when somebody said in an indirect discourse that President Ozawa's view on this issue seems to be such and such. Communication between Mr. Ozawa and party members is superficial." He thus indicated his view that dissatisfaction with Ozawa remains.

Vice President Hajime Ishii also said after the meeting, "It is only natural that somebody would advance such a harsh opinion. Otherwise, the party looks like some kind of cult." Several others also indicated understanding of the criticism of Ozawa expressed by

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Sengoku, with Deputy President Seiji Maehara noting, "There had been an atmosphere in the party in which Mr. Ozawa's opinion was the final word" and Deputy President Katsuya Okada saying, "I want the leadership to take Mr. Sengoku's opinion seriously."

Ozawa during a press conference held after the meeting stressed his intention to oppose the new antiterrorism special measures bill introduced by the government, by abandoning the idea of a grand coalition and policy talks with the Liberal Democratic Party (LDP). However, one mid-ranking member said, "If there has appeared a gap with his words, we will approve an effort to remedy the situation as we did this time."

The Japanese Communist Party, the Social Democratic Party and the People's New Party, the DPJ's partners in the opposition coalition, also criticized Ozawa, noting that it is illogical for the DPJ to unconditionally dissuade Mr. Ozawa from resigning. The furor this time will likely have a serious impact on the joint struggle by the opposition.

JCP Chair Kazuo Shii criticized Ozawa, "Mr. Ozawa did not categorically say that the grand coalition initiative was a mistake." SDP head Mizuho Fukushima underscored, "There is no change in the dangerous situation in which a permanent law could be enacted."

10) Former US Defense Secretary Cohen: Moving away from ordinary country is a mistake; Hopes for resumption of Japan's refueling operation

YOMIURI (Page 2) (Full)
November 7, 2007

Visiting former US Secretary of Defense William Cohen gave an interview to the Yomiuri Shimbun yesterday. In his interview in

Tokyo, citing such overseas activities conducted in recent years by the Self-Defense Forces (SDF) as participation in the UN peace-keeping operations and support for the Iraqi reconstruction, Cohen said: "Japan has been becoming an ordinary country. It is wrong to move away from that course." He expressed his hopes Japan would resume the Maritime Self-Defense Force's refueling operation in the Indian Ocean.

Cohen pointed out that the suspension of the MSDF refueling mission has given Japanese political leaders a good opportunity to carry out real debate on how Japan should contribute to the international community. He then said: "Whether Japan can become a country that can assume international responsibility is now being tested."

11) Futenma panel: Gov't explores common ground before Fukuda's US visit; Tokyo, Okinawa still divergent

YOMIURI (Page 4) (Full)
November 8, 2007

The government resumed consultations yesterday for the first time in 10 months with Okinawa's prefectural and municipal governments, including the city of Nago, over the pending issue of relocating the US Marine Corps' Futenma Air Station in the island prefecture's central city of Ginowan. In the meantime, Prime Minister Fukuda is scheduled to make his first official visit to the United States in mid-November. The government therefore judged that it would be

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necessary to make an appeal on its stance over the issue of Futenma relocation before Fukuda's US visit. However, Okinawa's base-hosting localities have been calling for the government to revise its Futenma relocation plan. As it stands, Tokyo and Okinawa remain far apart on the issue. It is still unclear whether the government can find common ground with Okinawa.

On the issue of relocating Futenma airfield, the government plans to lay down an alternative V-shaped pair of airstrips in a coastal area of Camp Schwab, a US military base in Okinawa Prefecture's northern coastal city of Nago. However, Okinawa Prefecture and Nago City have been calling for the government to move the site of this newly planned tarmac to an offshore area.

In yesterday's meeting, Okinawa Gov. Hirokazu Nakaima insisted on the necessity of moving the relocation site to an offshore area. Specifically, Nakaima cited the need to reduce aircraft noise as well as to eliminate the risk of accidents. He also cited the need to protect egg-laying sites for sea turtles as well as to protect archeological properties. The government is now going through procedures to assess the potential impact of Futenma relocation to its site and environs. In this regard, Nakaima indicated that he would ask the government to revise its Futenma relocation plan in two stages. First, Nakaima suggested the need for the government to move the relocation site to an offshore area at its own discretion within the scope of its environmental assessment. Second, the governor is expected to issue his statements over the government's environmental assessment. In this process, the governor will ask the government to move the relocation site to a farther offshore area.

According to the Okinawa prefectural government, the alternative facility's site may be moved to the extent of up to about 56 meters within the limits of environmental assessment. "I'm not asking too much," Nakaima told a news conference after the meeting. However, the government says it cannot revise the relocation plan. Okinawa and the government agreed in yesterday's meeting to continue their consultations. However, Chief Cabinet Secretary Machimura, who presided over the meeting, indicated in a press conference after the meeting that it would be difficult to revise the government plan agreed on between the Japanese and US governments. "We can't change it just because of Japan's circumstances," Machimura said.

12) Fuel supply correction reported to Ishiba, others: ex-MSDF official

YOMIURI (Page 4) (Full)
November 8, 2007

The House of Representatives Special Committee on Antiterror Measures held a closed-door meeting yesterday over the issue of correcting the quantity of fuel supplied by a Maritime Self-Defense Force supply ship in the Indian Ocean. In the meeting, Masayoshi Teraoka, a former director of the Maritime Staff Office Plans and Programs Division, disclosed that he had consulted with officials above him on May 8, 2003 about the quantity of MSDF-supplied fuel.

In a news conference held that day, the then Joint Staff Council chairman announced a mistaken amount of fuel supply. A reporter there asked about the amount of fuel supply, saying, "It's small." Teraoka reported this to then Defense Agency Director General Ishiba and then Defense Policy Bureau Director General Takemasa Moriya, according to one of those present in the meeting.

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13) Former executive of Yamada Corp. spend most of 9 million yen in slush funds on entertaining Moriya, all funds now used up

ASAHI (Page 39) (Excerpts)
November 8, 2007

Motonobu Miyazaki, former executive of Yamada Corp., a company specializing in military equipment, used slush funds pooled under the pretext of remuneration for directors to treat former Vice Defense Minister Takemasa Moriya to free rounds of golf, according to sources familiar with the case. It was confirmed about five years ago that the balance of slush funds in a bank account was approximately 9 million yen. But it has been found that most of the money had been used to entertain Moriya until all the funds were used up this April. Miyazaki left the company and established Nihon Mirise, a trading firm specialized in military equipment,. Even afterward, Miyazaki was using the funds placed under the new company's control to entertain Moriya, according the sources.

On suspicion of Miyazaki and others having illegally withdrawn about 100 million yen from a US subsidiary of Yamada Corp., the Tokyo District Public Prosecutors Office's special investigation squad is questioning them.

Yamada Corp. has long pooled funds disbursed under the pretext of remuneration for Miyazaki and other executive directors in a bank account. Its successive accountants reportedly have management the funds.

The about 9 million yen in the bank account - confirmed five years ago - were used mostly to entertain Moriya. When Miyazaki played golf with Moriya and his wife and dined with them after golf, he paid the bills, including those for himself, with the slush funds. The amount paid by Moriya as expense for golf was always 10,000 yen, even when his wife played with them.

14) Finance Minister Nukaga denies in Lower House allegation he received one million yen in carfare

ASAHI (Page 39) (Slightly abridged)
November 8, 2007

In a meeting of the House of Representatives special antiterrorism committee yesterday, Finance Minister Nukaga denied an allegation that he had received one million yen from Motonobu Miyazaki, former executive of Yamada Yoko Corp., a trading firm specializing in military equipment, as carfare when he attended a wedding reception in the fall of 2005. He replied to a question by Democratic Party of Japan member Hiroshi Kawauchi: "I returned the 200,000 yen I received as carfare to Miyazaki as congratulations money."

Nukaga said: "It is true that Mr. Miyazaki left carfare when he brought an invitation card. About 200,000 yen was in the envelope." Since he assumed the post of Defense Agency director general after that, his wife attended the reception on behalf of him. Nukaga said that he had returned the carfare money to Miyazaki as congratulations money.

15) Ambassador to Indonesia Ebihara to become vice foreign minister

NIKKEI (Page 2) (Full)

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November 8, 2007

Foreign Minister Koumura approved yesterday of the honorable retirement of Administrative Vice Foreign Minister Shotaro Yachi, 63, in January next year, and decided to appoint Ambassador to Indonesia Shin Ebihara to be Yachi's successor as vice minister. Ebihara's appointment will be decided in a cabinet meeting by early January after obtaining approval in a meeting at the Prime Minister's Office.

Shin Ebihara left the University of Tokyo in mid-course in 1971 and entered the Ministry of Foreign Affairs. He has been serving as ambassador to Indonesia since March 2006, after serving in the post of assistant deputy chief cabinet secretary. He hails from Tokyo. He is 59 years old.

16) US bipartisan group of foreign affairs and security experts suggests: "Relations with China are of vital importance"

SANKEI (Page 6) (Full)

November 8, 2007

Takashi Arimoto, Washington

A bipartisan group of foreign affairs and security experts, including former Deputy Secretary of State Armitage and former Assistant Secretary of Defense Nye, on Nov. 6 finalized a set of proposals for the United States' future foreign policy strategy. Regarding China, the proposals say: "In terms of world security and prosperity, US-China relations are of vital importance." They insisted that the US and China, instead of coming into collision, should work together in such areas as energy, security, the environment, and prevention of weapons of mass destruction.

The proposals note that while the US was busy with dealing with the Middle East issue, China "skillfully filled the vacuum," citing that China has been actively engaged in multilateral political and security frameworks, for instance, the ASEAN Regional Forum (ARF) and the ASEAN plus three.

As China's intentions, the proposals give this analysis: "China did so in pursuit of economic interests, but China may be pursuing a long strategy of growing into a global power instead of a regional power."

On the Japan-US alliance, the proposals note that "It has been strengthened over the past seven years," and appreciated it, noting, "Multifaceted relations are continuing." As for US-ROK relations, the proposals note that "Most South Korean people are aware of the importance of the bilateral alliance," adding that they are irritated by their country's dependence on the US in the security area and they are seeking to improve the current relations to the relations of equality.

Envisioning next year's presidential election, the proposals cite the tasks the US needs to address in the future include: (1) the US should fight the threat of terrorism but should not overreact; (2) the US should close its Guantanamo Bay Naval Base's prison for alleged terrorists in Cuba in order not to give the impression that the Americans are intolerant and injustice; and (3) the US should demonstrate its diplomatic power, for instance, by acting as a mediator to bring peace to the Middle East.

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SCHIEFFER